



**Chautauqua, Cattaraugus, Allegany & Steuben Counties**

## **Southern Tier Extension Railroad Authority**

Center for Regional Excellence, 4039 Route 219, Suite 200, Salamanca, New York 14779  
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**"This institution is an equal opportunity organization"**  
**John Margeson, Chairman**

### **MINUTES OF ANNUAL MEETING – May 17, 2010**

The Chautauqua, Cattaraugus, Allegany and Steuben Southern Tier Extension Railroad Authority held its 2010 Annual Meeting at 9:30 AM on May 17, 2010 in the Conference Room in the office of the Southern Tier West Regional Planning and Development Board, 4039 Route 219, Suite 200, Salamanca, New York. The following persons were in attendance:

#### **Board Members In Attendance**

Michael Brisky  
James Cooper  
Seth Corwin  
William Daly  
Joseph Eade  
Jay Gould  
James Griffin  
William Euliano  
Karl Kruger  
John Margeson  
Thomas Ryan

#### **Representing**

Cattaraugus County  
Southern Tier West RPDB  
Steuben County  
Chautauqua County  
Cattaraugus County  
Chautauqua County  
Steuben County  
Chautauqua County  
Allegany County  
Allegany County  
Steuben County

#### **Board Members Not In Attendance**

Terry Everetts  
Timothy O'Grady  
Vacant

#### **Representing**

Cattaraugus County  
Allegany County  
Seneca Nation of Indians

#### **Others Attending**

Thomas Barnes  
Carl Belke  
William Burt  
Kelly Dawson  
Robert Iszard  
Brian Paschen  
Richard Zink

#### **Representing**

Southern Tier West RPDB  
WNYP RR  
General Public  
John S. Trussalo CPA PC  
New York State Empire State Development  
Southern Tier West RPDB  
Southern Tier West RPDB

### **Call to Order and Introduction of Those Present**

Chairman John Margeson called the meeting to order at 9:30 AM. Introductions were made of those present.

### **Reading and Approval of the Minutes of the February 16, 2010 Meeting**

The Board adopted a resolution approving the minutes of the February 16, 2010 meeting of the Board (Eade, Kruger, passing unanimously).

### **Reading and Approval of the Minutes of the March 30, 2010 Executive Committee Meeting**

It was noted that at the March 30, 2010 meeting, the Executive Committee, on specific authorization from the Board, had approved the following items:

- Audit, Management Letter (unqualified opinion), and Year-End Financial Statements
- Revised Mission Statement
- Four-Year Financial Plan
- Real Property Listing Report
- Property Disposition Guidelines
- Procurement Report
- Approval of the Investment Report (copy distributed)

At the March 30, 2010 meeting, the Executive Committee also adopted a resolution authorizing the submission of all reporting materials to NYS ABO by the March 31, 2010 submission deadline.

The Board adopted a resolution approving the minutes of the March 30, 2010 meeting of the Executive Committee of the Board, and approving all actions taken and all items approved and authorized at that meeting (Eade, Kruger, passing unanimously).

### **Bills and Communications**

There were no bills received.

Mr. Zink has suggested changing “Bills and Communications” to “Communications,” and incorporating bills into the Treasurer’s Report. Mr. Barnes noted that this Bylaw amendment should be referred to the Governance Committee. The Board adopted a resolution asking the Governance Committee to discuss this and report out to the full Board (Cooper, Brisky, passing unanimously).

There were two communications received. One communication was received from Chautauqua County appointing William Euliano to a term expiring February 28, 2011.

The second communication was regarding a request for an easement or more informal access on railroad property in Randolph for the purpose of biological study of trees on the right of way. Mr. Belke indicated that he had not yet spoken to the inquirer.

## **Treasurer's Report**

### **May 1, 2010 Treasurer's Report**

Mr. Zink, STERA Treasurer, distributed a Treasurer's Report for May 1, 2010. For the year to date ending May 1, 2010, STERA had a net income of \$0 on revenues of \$0. As of May 1, 2010, STERA had net assets of \$6,215,230 on assets of \$6,215,230, with a cash balance of \$56,709. The Board adopted a resolution approving the Treasurer's Report for May 1, 2010 (Brisky, Eade, passing unanimously).

## **Reports of Committees**

### **Audit Committee**

The Audit Committee met on May 17, 2010. Mr. Griffin reported that Kelly Dawson of Joseph Trussalo CPA had presented the audit to the Committee.

#### **Presentation of Audit**

Ms. Dawson presented the audit and management letter for the year ending December 31, 2009. STERA received an unqualified opinion. Mr. Griffin reported that the Audit Committee had recommended to the Board that it accept and approve the audit. It was noted that the Executive Committee had acted on the audit at the March 30, 2010 Executive Committee meeting. The Board adopted a resolution accepting and approving the audit (Griffin, Gould, passing unanimously).

### **Governance Committee**

Mr. Eade reported that the Governance Committee has not met since the last STERA Board meeting.

Mr. Barnes noted that staff had been asked to determine whether STERA could issue tax exempt debt in favor of WNYP for line rehabilitation activities. He indicated that he has contacted Harris Beach in this regard and is awaiting a response.

Mr. Barnes also noted that staff had been asked to research and propose language for a uniform abatement and PILOT policy. It was decided to ask member IDA's for their language and attempt to craft language from those examples, as opposed to spending funds on legal counsel.

### **Nominating Committee / Election and Appointment of Board and Corporate Officers**

Mr. Margeson had appointed Mr. Brisky, Mr. Corwin, Mr. Daly, and Mr. O'Grady to a nominating committee to present nominations for Board and corporate offices at the May Annual Meeting. The Nominating Committee reported back the following nominations for Board officers:

Chairman	John Margeson
Vice Chairman	Joseph Eade

Second Vice Chairman          James Griffin

There were no other nominations. The Board adopted a resolution under which nominations were closed and the Secretary cast one ballot for the proposed slate, electing these Board officers (Corwin, Ryan, passing unanimously).

The Nominating Committee reported back the following nominations for Corporate officers:

CEO (Executive Director)	Richard Zink
CFO (Treasurer)	Richard Zink
Secretary	Thomas Barnes

There were no other nominations. The Board adopted a resolution under which nominations were closed and the Secretary cast one ballot for the proposed slate, electing these Corporate officers (Eade, Corwin, passing unanimously).

There was a question regarding whether one person could serve as both CEO and CFO. Mr. Barnes indicated that he as a legal opinion from Robert Ryan of Harris Beach indicating that this is not prohibited by the PAAA.

These Board and Corporate officers are to serve until the next officer elections, to be held at the 2011 Annual Meeting.

Mr. Barnes noted that at the April 30, 2007 Board meeting, the Board had approved the designation of the Chief Executive Officer as Contracting Officer, responsible for compliance and enforcement of guidelines. Inasmuch as this was a positional designation and not a designation of an individual, as Chief Executive Officer, Mr. Zink is the Contracting Officer.

The Board adopted a resolution designating Richard Zink as Records Retention Officer, responsible for compliance and enforcement of guidelines (Brisky, Kruger, passing unanimously).

## **Unfinished Business**

### **WNYP Report**

Carl Belke, President & Chief Operating Officer of the WNYP RR, provided a detailed Management Report to the STERA Board. The Management Report covered the areas of Safety, Financial Status of WNYP RR, Operations and Customer Service, Marketing and Freight Business, Mechanical Issues, Engineering and Maintenance of Way, Bridges and Culverts, and Signals and Communication.

Mr. Belke indicated that the **TIGER application** for line rehabilitation and first phase transload facility construction was not approved. He noted that there is a TIGER II program, but he indicated that WNYP thinks that STERA and WNYP should not seek funding under this program.

See the additional discussion later in these minutes. Mr. Belke indicated that WNYP would continue to look for funds for line rehabilitation, and STERA will do the same, for both line rehabilitation and transload facility construction. Mr. Belke noted that there will be no funds from NYS DOT in the foreseeable future.

Mr. Belke discussed the needed replacement of Bridge SA-29.96 in Falconer, which WNYP plans to undertake in 2011.

He noted that WNYP is continuing upgrades to the Meadville yard, funded by a 2008 \$250,000 PennDOT grant.

He noted that Norfolk Southern has indicated that it would not lease the "loop track" to WNYP that would increase interchange capacity in Hornell. Norfolk Southern indicated that it will evaluate other alternatives.

He indicated that local business is returning and even showing signs of growth. Norfolk Southern coal train volume is still down, reflecting the continuing impact of the recession. He discussed how increasing Marcellus Shale activity could positively impact WNYP's business.

He noted that WNYP has installed 2,000 maintenance crossties and surfaced 20 miles of track this year to date. He noted that WNYP will rebuild numerous grade crossings this summer. He discussed speed restrictions and height clearance issues.

He noted discussions with the Seneca Nation and the City of Salamanca regarding line relocation and industrial development opportunities.

He mentioned ongoing reinstallation of a passenger overpass bridge in Cuba, which will be designed to conform to height clearance issues.

He indicated that the following are WNYP's list of the **top three priority rehabilitation projects** include:

- Steel repairs to Bridge SA 59.96 (Corry PA)
- Austin Road, Keating Summit, PA replacement bridge
- Permanent remediation of Bridge JC-340.63 Hartsville Road, Alfred

The process for approval of the elimination of the Buffalo Line signal system is ongoing, with FRA approval expected shortly.

The elimination of the May Road grade crossing and upgraded crossing protection for Lebanon Road in Steamburg has been approved but is on hold pending NYS DOT funding.

Eviction notices have been posted for east side tenants under the line at Main Street in Jamestown. WNYP is looking for funding to correct spalling issues with the Jamestown bridges.

Mr. Belke indicated how important the **federal tax credit extender** was for WNYP's financial health. The Board adopted a resolution in support of the renewal of the federal tax credit extender, and authorized communication of this support to federal legislators (Daly, Corwin, passing unanimously).

#### **Multi-Modal Freight Transfer Facility and Manufacturing Center Project Status**

US DOT did not award STERA funding under the TIGER program. This funding was to be used for line rehabilitation and phase one construction of the transload facility. There will not be a second round of TIGER funding reviews in late summer or fall 2010 in which the project could be funded; however, there is a somewhat different US DOT TIGER II program that could provide funds for rehabilitation and the transload facility project. See the more detailed discussion later in these minutes under new business.

The Truck-Rail Multi-Modal Freight Facility (Transload Facility) Feasibility Study and Preliminary Engineering Study are downloadable from the Southern Tier West web site ([www.southerntierwest.org](http://www.southerntierwest.org)).

#### **Cattaraugus County (Randolph) Remediation Project Status**

Mr. Barnes reported that Cattaraugus County Attorney Dennis Tobolski told him that the project is on hold because of the anticipated consolidation of the Town and Village of Randolph and the Town of East Randolph, which is holding up the re-zoning of the affected parcels. Mr. Tobolski also indicated that when the project goes back on line, he anticipates that NYS DEC will transmit model language for the environmental easement that must be adopted by Cattaraugus County and STERA, and he also indicated that at time, Cattaraugus County would work with STERA to finalize the language for these easements so that they could be filed in a timely fashion.

#### **Request for Acquisition of Landlocked City of Olean Parcels**

Mr. Belke indicated that the resolution of this issue is still pending review by Norfolk Southern.

#### **Request for Provision of Permanent Easement for the Replacement of the Sprague Street Bridge (City of Jamestown)**

Mr. Belke indicated that Norfolk Southern has verbally indicated that it would approve this, but its legal department has not yet reviewed it. He is monitoring this, and STERA will move as quickly as is possible.

#### **Request of Dresser Rand for Rail Siding (Village of Wellsville)**

Mr. Belke indicated that from WNYP's perspective, nothing has changed. The project is still doable, but there is no funding for the installation. NYS DOT has indicated that budgetary funds from the most likely programs probably are not available at this time to fund this project. Mr. Barnes noted that Senator Schumer's staff has indicated some interest in this issue. Mr. Zink noted that Southern Tier West will be discussing project funding issues with Schumer's staff in early June. Mr. Belke indicated that WNYP will provide a hard project budget for this siding installation.

### **Site Development Project**

Mr. Barnes noted that Southern Tier West intends to work with Chautauqua, Cattaraugus, and Allegany Counties and with the Seneca Nation of Indians to promote the development of business development sites along the east-west and north-south railroads. Meetings are ongoing with the Seneca Nation of Indians, the Salamanca IDA, WNYP, NYS ESD, and NYS DOT regarding redevelopment of the Main Street railroad yard in Salamanca.

### **Seneca Nation of Indians Representation on STERA Board**

Mr. Zink indicated that he has spoken with Lucille White of the Seneca Nation about this and other topics, but as of this date, the Nation has not appointed a representative to the STERA Board.

### **NYS Public Authorities Accountability Act (PAAA) and Public Authorities Reform Act (PARA) Compliance**

#### **PARIS Submissions**

Mr. Barnes reported that all required submissions were made to NYS ABO on a timely basis. The STERA web site has copies of the submitted materials.

#### **New NYS ABO Policy Guidances**

Mr. Barnes discussed the **four policy guidances issued by NYS ABO this year**. These guidances will be placed on the web site and have been emailed to Board members.

He also distributed copies of a NYS ABO summary of the PAAA and PARA requirements.

Mr. Barnes distributed copies of the **Acknowledgement of Fiduciary Duties and Responsibilities form** required by NYS ABO and collected executed forms from STERA Board members. Mr. Margeson asked that members not present mail the forms to Mr. Barnes.

The Board reviewed and approved the **Mission Statement and Performance Measurement Form** and authorized its submission to NYS ABO (Eade, Cooper, passing unanimously).

Additionally, NYS ABO is requiring authorities to have a **new member orientation process**. Mr. Barnes proposes (a) to have a sit down with each new Board member as he/she is confirmed to go over issues that NYS ABO requires to be discussed and (b) to use the web site to post a permanent reference file for Board member orientation and for reference purposes for all Board members. The STERA Board directed Mr. Barnes to develop the process and web site file and bring it in front of the Governance Committee for review and recommendation to the STERA Board.

Mr. Barnes noted that NYS ABO is requiring a **records retention policy** be put into place. The STERA Board approved the creation of a records retention policy and procedure (Eade,

Cooper, passing unanimously). The STERA Board directed Mr. Barnes to develop such a policy and bring it in front of the Governance Committee for review and recommendation to the STERA Board.

#### **Annual Conflict of Interest and Financial Disclosure Compliance Forms**

STERA Board members have been contacted by Cattaraugus County and as of the date of the meeting, all STERA Board members have executed ethics (conflict of interest and financial disclosure) forms and transmitted them to Cattaraugus County.

#### **Discussion of Any Desired Policy Modifications**

STERA encourages comments on and suggested revisions to the organizational policies, so as to improve organizational effectiveness and PAAA compliance.

#### **Training Sessions**

Several current members had not yet completed NYS ABO's PAAA compliance training sessions. Mr. Zink will work with the Allegany, Cattaraugus, and Chautauqua County IDA's to schedule a training session within the region that STERA Board members can attend.

#### **NYS Cost Recovery from IDA's and Authorities**

With respect to IDA's this initiative is on hold. It has been challenged in court, and the State Legislature is attempting to stop it as well. As to authorities, there has been no attempt to date to extend the cost recovery to authorities.

#### **Other Old Business**

There was no other Old or Unfinished Business.

#### **New Business**

##### **TIGER II Application**

Mr. Belke noted that the competition for funds under this program was likely to be so great as to render application pointless as a practical matter. He noted that submission was not costless, and WNYP had other avenues it would be pursuing for rehabilitation funding. Mr. Barnes noted that as the TIGER II program required local match (unlike the original TIGER program), without WNYP's financial participation, STERA would be unable to propose an eligible project. Accordingly, the STERA Board decided that it would not pursue TIGER II funding.

##### **Advocacy for Federal Rehabilitation Funding**

Mr. Zink indicated that he felt that it would be a good idea for STERA to consider advocacy for federal rehabilitation funding. After discussion, the STERA Board indicated that it felt that it might want to accompany WNYP's representatives on trips to Albany and/or Washington for this purpose.



Mr. Belke noted WNYP's activities, which include (a) educational train trips for representatives, (b) participating in federal railroad day in Washington in March (and indicated that it would be good to have customers as well as STERA accompany them), and (c) Gene Blabey's visits with representatives.

The STERA Board adopted a resolution approving reimbursement of expenses for these advocacy initiatives on a case-by-case basis (Eade, Cooper, passing unanimously).

#### **Update of Allegany and Cattaraugus County Hazard Mitigation Plans**

FEMA requires an update of each county's Hazard Mitigation Plan every five years, and affected parties such as STERA must participate in the update in order to maintain eligibility for FEMA disaster mitigation funds.

Allegany County has contacted STERA regarding participating in the update of the Hazard Mitigation Plan. STERA has referred Allegany County directly to WNYP for input.

STERA also has contacted Cattaraugus County and has been told that Cattaraugus County will begin updating its Hazard Mitigation Plan toward the end of the summer, and will involve STERA at that time. Cattaraugus County is awaiting FEMA planning money for this purpose.

Mr. Barnes was directed to contact the other four counties in this regard.

#### **Future Status of the Property Tax Abatement Provided by STERA to Norfolk Southern**

Mr. Zink distributed a handout regarding abatement in New York State. In the future, STERA will consider extending the abatement period.

#### **Private Grade Crossings in Chautauqua County**

Mr. Gould presented to Mr. Belke materials provided by Steve Kimball relating to private grade crossing issues impacting his farming operations. Mr. Belke indicated that he would investigate.

#### **Farewell by Karl Kruger**

Mr. Kruger indicated that this was his last meeting as a STERA Board member. He is leaving the Board due to conflicts with his job, which cannot spare him for meetings. He thanked the Board members for their service, and indicated that he thoroughly enjoyed his time on the Board. Mr. Margeson was joined by the Board in thanking Mr. Kruger for his service, and wishing him well in the future.

#### **Friendship Bridge Issues**

Mr. Kruger discussed two bridge issues, Maple Grove Road and Kind Road, which have maintenance and clearance issues. Mr. Belke and Mr. Kruger will talk further about these bridges.

#### **Other New Business**

There was no other New Business.

**Public Comment**

There was no public comment.

**Next Meeting Date and Agenda for Next Meeting**

The STERA Board will next meet on September 20 at 9:30 AM at the Conference Room at the office of the Southern Tier West Regional Planning and Development Board in Salamanca, NY, with a subsequent meeting on November 15.

The Audit Committee and Governance Committee each might meet before the next Board meeting if necessary to discuss appropriate matters. Each Committee also may meet at an additional meeting or meeting as needed.

**Adjournment**

The meeting adjourned at 11:40 AM (Eade, Cooper, passing unanimously).

I certify that this is an accurate summary of the informal gathering / meeting of the Chautauqua, Cattaraugus, Allegany and Steuben Southern Tier Extension Railroad Authority held on the date indicated above.

Name: \_\_\_\_\_

Office: \_\_\_\_\_

Date: \_\_\_\_\_